

Message Text

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17

ORIGIN ITC-01

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 FEA-01 FTC-01 AF-08 ARA-06 NEA-10 OIC-02 /140 R

DRAFTED BY USITC:WTHART:MH

APPROVED BY EB/OT:WGBARRACLOUGH

EB/OT/STA:MHGOLDMAN

STR:TGRAHAM

TREAS:THUME

EUR/RPE:ECASEY

L/EB:SBENSON

EA/J:SMECTON

----- 055414

R 192117Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BERN

INFO USMISSION EC BRUSSELS

AMEMBASSY TOKYO

USMISSION GENEVA

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD

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SUBJECT: USITC INVESTIGATION INTO POSSIBLE UNFAIR COMPETITION IN THE IMPORTATION AND SALE OF TV RECEIVERS FROM JAPAN

1. UNDER THE PROVISIONS OF SECTION 337 OF THE TARIFF ACT OF 1930 AND 603 OF THE TRADE ACT OF 1974, THE U.S. INTERNATIONAL TRADE COMMISSION HAS INSTITUTED TWO INVESTIGATIONS INTO POSSIBLE ANTICOMPETITIVE PRACTICES IN THE IMPORTATION INTO THE UNITED STATES AND SALE OF JAPANESE TELEVISION RECEIVERS. THE SPECIFIC NATURE AND SCOPE OF THE INVESTIGATIONS ARE SET OUT IN THE COMMISSION'S NOTICES, THE TEXTS OF WHICH ARE BEING SENT TO ADDRESSEES IN SEPARATE TELEGRAMS.

2. IN THIS CONNECTION, WILHELM A. ZEITLER, AN INVESTIGATIVE ATTORNEY, AND HOWARD L. GOOLEY, AN INTERNATIONAL ECONOMIST, BOTH ON THE STAFF OF THE U.S. INTERNATIONAL TRADE COMMISSION, WILL BE TRAVELING TO LONDON, PARIS, AMSTERDAM, BERN, BONN AND ROME DURING SEPTEMBER TO ASSEMBLE INFORMATION ON SALES IN EUROPE OF JAPANESE TELEVISION RECEIVERS AND COMPONENTS. THE TENTATIVE TRAVEL SCHEDULE IS AS FOLLOWS: LONDON, SEPTEMBER 4-9 OR 10; PARIS, SEPTEMBER 13-14; AMSTERDAM, SEPTEMBER 15-17; BONN, SEPTEMBER 20-22; ROME, SEPTEMBER 22-24; AND BERN, SEPTEMBER 27-28.

3. EMBASSY LONDON IS REQUESTED TO MAKE HOTEL RESERVATIONS FOR ZEITLER AND GOOLEY FOR SEPTEMBER 4-9. TEAM WILL ADVISE OTHER ACTION ADDRESSEES RE DEFINITE TRAVEL SCHEDULE IN OTHER PARTS OF EUROPE WHEN THIS BECOMES KNOWN DURING THEIR STAY IN LONDON.

4. PRIOR TO ARRIVAL OF USITC STAFF AT EACH POST, EMBASSIES ARE REQUESTED TO ASSEMBLE FOR THE COMMISSION THE FOLLOWING GENERAL INFORMATION ON TV SETS: (1) IDENTITY OF FOREIGN AND DOMESTIC COMPETITORS IN EACH COUNTRY (WITH INFORMATION AS TO PATTERNS OF ENTRY AND EXIT IN THE INDUSTRY), (2) CONDITIONS OF COMPETITION (MARKET SIZE, PRODUCTION AND MARKET CHARACTERISTICS, AND DISTRIBUTION AND PRICING PATTERNS), (3) BASIC TECHNICAL DATA ON TV SETS, INCLUDING SCREEN SIZES, AND (4) QUANTITY AND SOURCE OF IMPORTS (BOTH INTRA EEC AS WELL AS FROM JAPAN).
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5. EMBASSIES SHOULD ALSO IDENTIFY KEY INDIVIDUALS OF LOCAL TV INDUSTRY, ASSOCIATION REPRESENTATIVES, GOVERNMENT OFFICIALS, AND INDIVIDUALS INVOLVED IN MARKETING TV SETS AND ARRANGE APPOINTMENTS FOR THESE PEOPLE TO MEET WITH THE USITC STAFF, ACCOMPANIED BY EMBASSY REPRESENTATIVES, FOR THE PURPOSE OF DISCUSSING THE ACQUISITION OF MORE DETAILED DATA, PARTICULARLY WITH RESPECT TO PRICING AND

SALES PRACTICES.

6. ITC STAFF PLANS TO ASK INFORMATION SOURCES TO FORWARD NEEDED DATA TO EMBASSY WITHIN 30 DAYS. IN VIEW OF THE SHORTNESS OF TIME FOR DATA COLLECTION IN THIS INVESTIGATION USITC STAFF PLANS TO RETURN TO EACH COUNTRY WITHIN 30 DAYS

FROM DEPARTURE FOR CONCLUSION OF THIS COLLECTION EFFORT.

7. FYI -- THE INSTITUTION OF THESE INVESTIGATIONS HAS BEEN CRITICIZED AND CONTESTED BY RESPONDENTS AND BY THE JAPANESE GOVERNMENT. THE RESPONDENTS PETITIONED THE COMMISSION TO TERMINATE AND DISMISS THE SECTION 337 INVESTIGATION ON THE GROUNDS THAT, INTER ALIA, THE ALLEGATIONS CAME WITHIN THE PURVIEW OF THE ANTIDUMPING ACT, 1921, AND SECTION 303 OF THE TARIFF ACT OF 1930 (THE COUNTERVAILING DUTY STATUTE), AND ARE MATTERS SOLELY WITHIN THE JURISDICTION OF THE SECRETARY OF THE TREASURY. THE TREASURY DEPARTMENT ALSO HAD RAISED THE SAME QUESTION WITH THE COMMISSION. ON JULY 12, THE ITC'S ADMINISTRATIVE LAW JUDGE DENIED THE RESPONDENT'S PETITION AND RULED THAT THE COMMISSION DOES HAVE JURISDICTION TO

INVESTIGATE UNDER SECTION 337 QUESTIONS RELATING TO DUMPING AND SUBSIDIES WITHIN THE BROADER CONTEXT OF ANTICOMPETITIVE ACTIONS UNDER INVESTIGATION. IN RESPONSE TO A PETITION TO APPEAL THIS RULING TO THE COMMISSION, THE LAW JUDGE ON AUGUST 6 RULED THAT RESPONDENTS COULD NOT APPEAL THE LEGAL QUESTION OF JURISDICTION BUT COULD APPEAL THE POLICY QUESTION OF WHETHER THE COMMISSION SHOULD EXERCISE THAT JURISDICTION IN THE PRESENT CASE. THIS APPEAL IS NOW BEFORE THE COMMISSION, BUT IT CANNOT BE FORSEEN WHEN THE QUESTION WILL BE RESOLVED. IN THE LIMITED OFFICIAL USE

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MEANTIME, THE JUDGE HAS RULED THAT CONDUCT OF THE INVESTIGATION MUST CONTINUE. END FYI.

8. EMBASSIES ARE REQUESTED TO PROVIDE APPROPRIATE ASSISTANCE. ROBINSON

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